Approved For Release : CIA-RDP59-00224A000100300005-7

Public Law 138 - 84th Congress
Chapter 301 - 1st Session
S. 2090

AN ACT

To amend the Mutual Security Act of 1954, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1955". Mutual Security Act of 1955.

SEC. 2. Title I, chapter 1, of the Mutual Security Act of 1954, which relates to military assistance, is amended as follows:

(a) In section 103 (a), which relates to authorizations, add "(1)" after "(a)", and add the following new paragraph: 68 Stat. 833. 22 USC 1813.

"(2) In addition, there is hereby authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $1,133,000,000, to remain available until expended."

(b) In section 103 (b), after the word "chapter", insert "and of section 124". 69 Stat. 283.

(c) Section 103 (c) is hereby repealed, and the following is substituted therefor: 69 Stat. 284.

"(c) When appropriations made pursuant to subsection (a) of this section are used to furnish military assistance on terms of repayment within ten years or earlier such assistance may be furnished, notwithstanding sections 105, 141, and 142, to nations eligible to purchase military equipment, materials, and services under section 106."

(d) Amend section 105 (b) (1), which relates to conditions applicable to military assistance, to read as follow: 22 USC 1815.

"(1) The Congress welcomes the recent progress in European cooperation and reaffirms its belief in the necessity of further efforts toward political federation, military integration, and economic unification as a means of building strength, establishing security, and preserving peace in the North Atlantic area. In order to provide further encouragement to such efforts, the Congress believes it essential that this Act should be so administered as to support concrete measures to promote greater political federation, military integration, and economic unification in Europe."

(e) In paragraphs (2) and (3) of section 105 (b), strike out "Near East, Africa, and South Asia" and "the Far East and the Pacific" and insert "Near East and Africa" and "Asia," respectively.

(f) In paragraphs (2) and (3) of section 105 (c), which relates to geographic delivery ceilings, strike out ", Africa, and South Asia" and "the Far East and the Pacific" and insert "and Africa" and "Asia", respectively.

(g) In section 108, which relates to transfer of military equipment to Japan, strike out "1955" and insert "1956". 22 USC 1818.

SEC. 3. Title I, chapter 2, of the Mutual Security Act of 1954, which relates to southeast Asia and the western Pacific, and direct forces support, is amended as follows:

(a) In section 121, which relates to southeast Asia and the western Pacific, strike out the fourth word of the third sentence, "section", and insert "title". 22 USC 1831.

(b) Add after section 123 the following new section:

"SEC. 124. DIRECT FORCES SUPPORT.—There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed $317,200,000 to provide assistance in the form of direct forces support to be delivered or rendered directly to the military forces of nations eligible for military assistance under chapter 1 of this title. The President may, notwithstanding the provisions of section 501, consolidate all or any part of appropriations made pursuant to this

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section with appropriations made pursuant to section 103. Programs authorized by this section may be administered in accordance with the provisions of chapter 1 or chapter 3 of this title."

22 USC 1841. SEC. 4. Title I, chapter 3, of the Mutual Security Act of 1954, which relates to defense support, is amended by adding to section 131 the following new subsections:

"(c) There is hereby authorized to be appropriated to the President for the fiscal year 1956 to carry out the provisions of this section, not to exceed—

"(1) $92,000,000 for Europe (excluding Greece and Turkey);

"(2) $102,500,000 for the Near East (including Greece and Turkey) and Africa; and

"(3) $827,800,000 for Asia.

"Funds made available for assistance to Korea from appropriations authorized by this section may be used in accordance with the applicable provisions of section 132 of this Act.

69 Stat. 284.
69 Stat. 285.

Marine insurance.

"(d) In providing assistance in the procurement of commodities in the United States, United States dollars shall be made available for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practice prevailing prior to the outbreak of World War II: *Provided*, That in the event a participating country, by statute, decree, rule, or regulation, discriminates against any marine insurance company authorized to do business in any State of the United States, then commodities purchased with funds provided hereunder and destined for such country shall be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in any State of the United States."

22 USC 1852. SEC. 5. Title I, chapter 4, of the Mutual Security Act of 1954, which relates to general provisions relating to mutual defense assistance, is amended by changing section 142, which relates to agreements, as follows: After "SEC. 142. AGREEMENTS.—" insert "(a)"; in paragraph 10 strike out the comma and the word "or" where they appear after the phrase "any such assistance", and insert in lieu thereof "and"; strike out the word "and" at the end of paragraph (10) and change the semicolon preceding that word to a period; and change the portion of paragraph (11) preceding subparagraph (i) thereof to read as follows:

"(b) In cases where any commodity is to be furnished on a grant basis under chapter 2 or chapter 3 of title I or under title II of this Act under arrangements which will result in the accrual of proceeds to the recipient nation from the import or sale thereof, such assistance shall not be furnished unless the recipient nation shall have agreed to establish a special account, and—".

SEC. 6. Title II of the Mutual Security Act of 1954, which relates to development assistance, is amended as follows:

22 USC 1871. (a) (1) In section 201 (a), which relates to authorization, strike out "South Asia" in paragraph 2 and insert "Asia"; before the period in paragraph 3 insert "and to assist in maintaining economic and political stability in the area"; and in lieu of the last sentence insert the following: "Such assistance may be furnished on such terms and conditions as the President may specify and shall emphasize loans rather than grants wherever possible.".

(2) Add to section 201 the following new subsection:

"(c) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed $73,000,000, $71,000,000, and

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$38,000,000 to furnish assistance under paragraphs (1), (2), and (3), respectively of subsection (a) of this section."

(b) In section 202 which relates to administration, add at the end thereof the following new sentence: "The authority provided in section 307 may be exercised for purposes of furnishing assistance under section 201." 22 USC 1872.

SEC. 7. Title III of the Mutual Security Act of 1954, which relates to technical cooperation, is amended as follows:

(a) In section 304, which relates to authorization, insert "(a)" before the first sentence and add the following new subsection: 22 USC 1894.

"(b) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed $146,500,000 for technical cooperation programs in the Near East and Africa, Asia and Latin America."

(b) In section 306, which relates to multilateral technical cooperation: 22 USC 1896.

(1) Insert the following before the semicolon at the end of paragraph (a): "; in addition, $24,000,000 for the fiscal year 1956 for contributions to the United Nations Expanded Program of Technical Assistance". 69 Stat. 285.

(2) Insert the following before the period at the end of paragraph (b): "; in addition, $1,500,000 for the fiscal year 1956 for contributions to the technical cooperation programs of the Organization of American States". 69 Stat. 286.

(c) In section 308, which relates to the International Development Advisory Board, insert ", or at the applicable rate prescribed in the Standardized Government Travel Regulations, as amended from time to time, whichever is higher," after "not to exceed $10 per diem". 22 USC 1898.

SEC. 8. Title IV of the Mutual Security Act of 1954, which relates to other programs, is amended as follows:

(a) In section 401, which relates to special fund, insert "(a)" before the first sentence; strike out "$150,000,000" in the first sentence and insert "$50,000,000, in addition to the funds authorized to be appropriated under subsection (b) hereof,"; in the next to last sentence strike out "section" and insert "Act"; and add the following new subsection at the end thereof: 22 USC 1921.

"(b) There is hereby authorized to be appropriated to the President for the fiscal year 1956 $100,000,000 for use in accordance with subsection (a) of this section."

(b) In section 402, which relates to the sale of surplus agricultural commodities, strike out "not less than $350,000,000" and insert in lieu thereof "for the fiscal year 1956, not less than $300,000,000". 22 USC 1922.

(c) In section 403, which relates to special assistance in joint control areas, insert "(a)" before the first sentence; insert "at the time of the enactment of this Act" in the first sentence after "responsibility"; and add the following new subsection: 22 USC 1923.

"(b) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed $21,000,000 to carry out this section."

(d) Amend section 405, which relates to movement of migrants and refugees, as follows: 22 USC 1925.

(1) Change the heading to "MIGRANTS, REFUGEES, AND ESCAPEES".

(2) Amend subsection (c) to read as follows:

"(c) There is hereby authorized to be appropriated for the fiscal year 1956 not to exceed $1,400,000 for contributions to the United Nations Refugee Fund."

(3) Add the following new subsection:

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Escapees.

"(d) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed $6,000,000 for continuation of activities, including care, training, and resettlement, which have been undertaken for selected escapees under section 401 of this Act."

22 USC 1926.

(e) In section 406, which relates to children's welfare, insert "(a)" before the first sentence and add the following new subsection:

"(b) There is hereby authorized to be appropriated for the fiscal year 1956 not to exceed $14,500,000 for contributions to the United Nations Children's Fund."

22 USC 1927.

(f) In section 407, which relates to Palestine refugees in the Near East, insert "(a)" before the first sentence and add the following new subsection:

"(b) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed $65,000,000 to be used to make contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East."

22 USC 1929.

(g) Amend section 409, which relates to ocean freight charges, as follows:

(1) Insert the following new sentence at the end of subsection (c), which relates to ocean freight charges on shipments by United States voluntary nonprofit relief agencies: "There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed $2,000,000 to carry out the purposes of this section."

69 Stat. 236.

69 Stat. 287.

(2) Amend subsection (d) to read as follows:

"(d) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed $13,000,000 to pay ocean freight charges on shipments of surplus agricultural commodities, including commodities made available pursuant to any Act for the disposal abroad of United States agricultural surpluses. In addition, any funds made available under this Act may be used, in amounts determined by the President, for the purposes of this subsection."

22 USC 1930.

(h) In section 410, which relates to Control Act expenses, insert ", and for the fiscal year 1956 not to exceed $1,175,000," after "$1,300,000".

(i) (1) Change the title of section 411, which relates to administrative expenses to read "ADMINISTRATIVE AND OTHER EXPENSES".

22 USC 1931.

(2) Amend section 411 (b) to read as follows:

"(b) There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed $34,700,000, and for the fiscal year 1956 not to exceed $35,225,000, for all necessary administrative expenses incident to carrying out the provisions of this Act other than chapter 1 of title I and section 124."

(3) Add to section 411 the following new subsection:

"(c) Funds made available for the purposes of this Act may be used for compensation, allowances, and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this Act, and without regard to the provisions of any other law, for printing and binding, and for expenditures outside the continental limits of the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of Government funds as may be necessary to accomplish the purposes of this Act."

(j) Add the following new sections:

"SEC. 418. PRESIDENT'S FUND FOR ASIAN ECONOMIC DEVELOPMENT.—(a) The Congress of the United States reaffirms the policy of the

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United States to contribute to international peace and security through assisting the peoples of free Asia in their efforts to attain economic and social well-being, to safeguard basic rights and liberties, and to protect their security and independence. The Congress hereby recognizes that fundamental to these goals is an expanding economic growth of the free Asia area based upon self-help and mutual cooperation and full utilization of already existing resources and knowledge. The Congress expresses the willingness of the people of the United States to support the foregoing objectives to the extent to which the countries in the area continue to make effective use of their own resources and external resources otherwise available to them.

"(b) In order to carry out the purposes of this section, there is hereby authorized to be established a fund, to be known as the 'President's Fund for Asian Economic Development' (hereinafter referred to as 'the Fund'), and there is hereby authorized to be appropriated to the President for the Fund an amount of $200,000,000, such amount to remain available until June 30, 1958.

"(c) The President is authorized to utilize the appropriations made available for the Fund to accomplish in the free Asian area the policies and purposes declared in this Act and to disburse them on such terms and conditions, including transfer of funds, as he may specify to any person, corporation, or other body of persons however designated, or to any friendly foreign government, agency, or organization or group of friendly governments or agencies as may be appropriate: *Provided, however*, That such assistance shall emphasize loans rather than grants wherever possible, and not less than 50 per centum of the funds appropriated pursuant to this section shall be available only for furnishing assistance on terms of repayment in accordance with the provisions of section 505, and not more than 25 per centum of said funds may be allocated for assistance to any one nation. 69 Stat. 287. 69 Stat. 288.

"(d) In utilizing the Fund the President shall give preference to projects or programs that will clearly contribute to promoting greater economic strength in the area as a whole or among a group or groups of countries of the area.

"SEC. 419. WORLD HEALTH ORGANIZATION.—Section 3 (a) of Public Law 643, Eightieth Congress, approved June 14, 1948, as amended, is hereby amended to read as follows: 62 Stat. 441. 22 USC 290b.

"'(a) such sums as may be necessary for the payment by the United States of its share of the expenses of the Organization as apportioned by the Health Assembly in accordance with article 56 of the constitution of the Organization, except that payments by the United States for any fiscal year of the Organization after 1958 shall not exceed 33⅓ per centum of the total assessments of active members of the Organization for such fiscal year; and'."

SEC. 9. Title V, chapter 1, of the Mutual Security Act of 1954, which relates to general provisions, is amended as follows:

(a) In section 502, which relates to use of foreign currency, in subsection (b) after the word "amended," insert the words "and to the Joint Committee on Atomic Energy and the Joint Committee on the Economic Report,"; and in the proviso after the word "Senate" the second time such word occurs, insert the words "or a joint committee of the Congress". 22 USC 1754.

(b) In section 503, subsection (b) is hereby repealed and subsection (c) is redesignated as "(b)". 22 USC 1755.

(c) (1) Change the heading of section 505 to "LOAN ASSISTANCE AND SALES". 22 USC 1757.

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(2) Amend section 505 (a) by inserting before the period at the end thereof the following: "and shall emphasize loans rather than grants wherever possible".

(3) Add the following sentence at the end of subsection (a) of section 505: "Whenever commodities or services are sold for foreign currencies the President, notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, may use or enter into arrangements with friendly nations or organizations of nations to use such currencies for the purposes for which the funds providing the commodities or services which generated the currencies were appropriated."

66 Stat. 662.

22 USC 1761.

(d) In section 509, which relates to shipping on United States vessels, add the following sentence at the end thereof: "The ocean transportation between foreign countries of commodities, materials, and equipment procured out of local currency funds made available or derived from funds made available under this Act shall not be governed by the provisions of section 901 (b) of the Merchant Marine Act of 1936, or any other law relating to the ocean transportation of commodities, materials, and equipment on United States flag vessels."

68 Stat. 832.
46 USC 1241.

SEC. 10. Title V, chapter 2, of the Mutual Security Act of 1954, which relates to organization and administration, is amended as follows:

22 USC 1784.

(a) In section 524 (a), amend subparagraph (3) to read as follows: "(3) the supervision of end-item use by the recipient countries;".

22 USC 1785.

(b) In the second sentence of section 525, which relates to the Foreign Operations Administration, after "Foreign Operations Administration" insert "(including any function, office or entity thereof transferred to any other agency)"; and insert, before the period at the end of said second sentence, the following: ": *Provided*, That such authority conferred by this sentence shall be exercised in accordance with applicable laws and regulations relating to the Civil Service and Veterans' Preference".

69 Stat. 288.
69 Stat. 289.

22 USC 1786.

(c) Add at the end of section 526, which relates to missions and staffs abroad, the following new sentence: "If a Foreign Service Officer shall be appointed by the President to a position under this section, the period of his service in such capacity shall be considered as constituting an assignment for duty within the meaning of section 571 of the Foreign Service Act of 1946, as amended, and such person shall not, by virtue of his acceptance of such an assignment, lose his status as a Foreign Service Officer."

Ante, p. 25.

22 USC 1790.

(d) In section 530 (a), which relates to experts and consultants or organizations thereof, insert "or at the applicable rate prescribed in the Standardized Government Travel Regulations, as amended from time to time, whichever is higher," after "at a rate not to exceed $10".

22 USC 1794.

(e) In section 534, which relates to reports, strike out "sections 504 and 413 (b)" in the last sentence and insert "sections 504, 413 (b), and 418".

68 Stat. 864.

SEC. 11. Title V, chapter 3, of the Mutual Security Act of 1954, which relates to repeal and miscellaneous provisions, is amended by adding after section 547, the following new sections:

"SEC. 548. UNEXPENDED BALANCES.—Unexpended balances of funds heretofore made available under authority of this Act are hereby authorized to be continued available for the general purposes for which appropriated, and may be consolidated with appropriations made available beginning in fiscal year 1956 for the same general purposes under the authority of this Act: *Provided, however*, That unexpended balances in excess of $200,000,000 not obligated by June

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30, 1955, in accordance with the provisions of section 1311 of the Supplemental Appropriation Act, 1955 (Public Law 663, Eighty-third Congress), or reserved in accordance with the provisions of section 110 of the Mutual Security Appropriation Act, 1955 (Public Law 778, Eighty-third Congress), are not authorized to be continued available after such date. 68 Stat. 830. 31 USC 200. 68 Stat. 1224. 22 USC 1819.

"SEC. 549. (a) STATEMENT OF CONGRESSIONAL POLICY.—It is the sense of the Congress that inasmuch as—

"(1) the United States, through mutual security programs, has made substantial contributions to the economic recovery and rehabilitation of the nations of western Europe;

"(2) due in part to those programs, it has been possible for such nations to achieve complete economic recovery and to regain their military strength; and

"(3) certain other friendly nations of the world remain in need of assistance in order that they may defend themselves against aggression and contribute to the security of the free world,

those nations that have been assisted in their recovery should, in the future, share with the United States to a greater extent the financial burden of providing aid to those countries which are still in need of assistance of the type provided under this Act.

"(b) It is the sense of the Congress that assistance under this Act shall be administered so as to assist other peoples in their efforts to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world and to fulfill their responsibilities for self-government o. independence." 69 Stat. 289. 69 Stat. 290.

SEC. 12. It is hereby declared to be the continuing sense of the Congress that the Communist regime in China has not demonstrated its willingness to fulfill the obligations contained in the Charter of the United Nations and should not be recognized to represent China in the United Nations.

Approved July 8, 1955.

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